

**ACCOUNTING EXAMINING BOARD TELECONFERENCE MEETING
MINUTES
MADISON, WISCONSIN
FRIDAY, JANUARY 18, 2002**

PRESENT: Frank Probst, Fred Franklin, Sharon Hamilton, Jim Johnson, Thomas Kilkenny and Roman Jungers, III.

STAFF PRESENT: Katharine Hildebrand, William Dusso, Grace Schwingel, Patty Williams, PJ (Paula) Monson and Greg Raube-DOE

GUESTS: LeRoy Schmidt, WICPA
Richard D. Stinson, CPA, Kiesling Associates LLP, Madison, WI

CALL TO ORDER

Frank Probst called the meeting to order at 9:05 a.m. The full Board was present.

AGENDA

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to adopt the agenda as published. Motion carried unanimously.

MINUTES (12/14/01)

Tom Kilkenny noted that he did not leave at 10:40 a.m. as the minutes indicate. The December minutes did not include the list of applicants approved and denied by Frank Probst prior to the meeting. These will be added to the December minutes and as an addendum to the March meeting.

MOTION: Roman Jungers moved, seconded by Jim Johnson, to approve the minutes as amended. Motion carried unanimously.

ADMINISTRATIVE REPORT

Bureau Director's Report

- **To-Do List**

All items on the To-Do list have been done. It was agreed to give the Board updates by e-mail every other Friday. William Dusso will provide an analysis of proposed changes in the Wisconsin Independence Rule and the differences between the Wisconsin code and the AICPA Independence Code to ensure that Wisconsin is in conformity with the AICPA model. The Board has expressed its intent to have the Wisconsin laws conform to the AICPA Independence Code

- **Regulatory Digest Draft**

It was suggested that the preliminary list of criteria to be considered for equivalency be put in the Regulatory Digest with the caveat that the list is an informal list and is not to be considered to be all-inclusive or in any way a binding commitment. It is a tool for guidance purposes only. Licensees could be given the opportunity to submit their suggestions for additional criteria that could be considered for equivalent experience.

- **Applications Reviewed by Staff**

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to authorize staff to continue issuing licenses to applicants who clearly have met the exam and 1 year of public accounting experience requirements. Staff will not issue licenses to applicants with equivalency issues. The Board does not find it necessary to audit the applications that have been delegated to staff to approve. The list of licenses approved by staff will not need to be voted on by the Board but will continue to be included in the minutes for informational purposes only. The review of applicant files by staff will be done in accordance with the January 10, 2002, memo, as amended, to the Accounting Board, from William Dusso, that appears in the January 18, 2002, agenda packet. Legal Counsel, Bill Dusso, will amend the January 10, 2002, memo to include an **"and"** under item #6 after "an individual CPA; and (2) the position title indicates . . ." and also, under item #7, to add an explicit statement that specifies that only the members of the Board are authorized to evaluate equivalency issues. Motion carried unanimously.

MOTION: Jim Johnson moved, seconded by Roman Jungers, to authorize Department staff to issue licenses to the applicants whose files were approved by Frank Probst in December 2001, and by Jim Johnson in January 2002. A list of these licensees will be included in the January 18, 2002 minutes that will appear in the March agenda packet. Motion carried unanimously.

The Board noted that the list of applications reviewed and approved by the Board the day before the meeting, is prepared in writing and presented to the Board in the minutes of the meeting that takes place the following day. For example: files reviewed on January 17, 2002 will appear in the minutes of the meeting of January 18, 2002.

ADMINISTRATIVE RULES

Definition of "Ownership Interest" for Accounting Firms

Dusso noted questions that had been raised about proportional voting rights and the language that was used. Board members had not received the draft of the rule, so the rule draft will be sent out in one of the Friday updates to the Board members. The Board will discuss it further at the March meeting.

Discussion of Rule Draft Relating to Peer Review Requirements

The intent of the Board was to embrace the AICPA model. Dusso will prepare the rule draft and forward it to Board members with one of the Friday updates.

NASBA

Letter to Securities and Exchange Commission from Litigation Response and Assistance Committee, 12/31/01

This letter was included in the agenda packet for informational purposes. At a future meeting the Board will talk about the Securities and Exchange Commission (SEC) and Wisconsin's relationship with NASBA

EXAMINATION ISSUES

Report from January 9, 2002 Examination Contract Meeting, Frank Probst

Probst gave a report of the Examination Contract meeting held on 1/9/02, which was a follow-up to the meeting of May 10, 2000 that addressed the relationship between NASBA and the AICPA. The Wisconsin Board reviewed the proposed contract among the AICPA, NASBA and Prometric at its December 2001 meeting. The Board supports that contract. One concern raised at the December meeting was related to the ownership of a CPA coaching course by the parent of Prometric, which is responsible for administering the computerized exam.

The purpose of the January 2002 meeting was to inform the states of this effort to come up with a joint agreement and to address any major concerns that remained prior to the implementation of the formal contract. Most of the other states were supportive of the discussions going on between NASBA and the AICPA to try to work together rather than acting independently of each other.

There was a vote of 43-7 by the participating states supporting the implementation of the contract. NASBA assured the attendees that NASBA would insist that Thompson Learning Systems, the parent company, divest itself of MicroMash, Inc. which is developing the CPA coaching course, within 12 months of the computerization of the exam to give MicroMash, Inc the time to sell the CPA coaching course. The contract would be rescinded if the parent company did not divest itself of the coaching course within 12 months.

Another question raised was the nature of the contractual relationship between NASBA and the individual states and the role NASBA will have in the administration of the exam. This question needs to be determined on an individual basis with each state. The AICPA will offer a paper and pencil exam in November 2003, with the four new sections of the exam, if the deadline for the computerization of the exam can not be met by that date by individual states. At a future meeting the Board will have to address, with input from the Department, the nature of the contractual relationship between NASBA and the State of Wisconsin.

Criteria to Evaluate Equivalency of Public Accountant Experience

The Board reviewed the responses on criteria to be used in evaluating equivalency. This list will be with the files for the March review of applications so that a similar standard for equivalency is applied to the review process regardless of which Board member is doing the review. It should be noted that this list is merely a tool, and is not intended to be all-inclusive. It will be an evergreen document that will serve as a guideline that will be updated as new criteria are recognized and agreed upon by the Board.

Jim Johnson commented about requests for licensure from neighboring states and substantial equivalency in the UAA. Johnson suggested that it would be helpful in reviewing applicant files to have a list of the states surrounding Wisconsin that are substantially equivalent and which states are not considered substantially equivalent. This will be prepared for the board member who will review applications for the March meeting.

Open Session recessed at 10:45 a.m.

CONVENE TO CLOSED SESSION

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to recess to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.; to consider licensure or discipline (s. 19.85(1)(b), Stats.; to consider individual histories or disciplinary data (s. 19.85(1)(f), Stats.; and, to confer with legal counsel (s. 19.85(1)(g), Stats. Motion carried by a roll call vote: Frank Probst – yes; Fred Franklin - yes; Sharon Hamilton - yes; Jim Johnson - yes; Roman Jungers - yes; Tom Kilkenny - yes.

The Board deliberated on information concerning an examination issue.

RECONVENE IN OPEN SESSION

MOTION: Jim Johnson moved, seconded by Roman Jungers, to reconvene the meeting in Open Session at 10:50 a.m. Motion carried unanimously.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE

APPLICATIONS REVIEWED ON JANUARY 18, 2002

The Board took the following action on applications. Applicants applied based on examination, transfer of credit from another state and endorsement of license from another state.

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

1. Approved –

Anderson, Nickoel
Capadana, Victor
Ellman, Lori
Endicott, Gregory
Feinauer, Malinda
Hagemeier, Eric
Hinton, Samuel
Juckett, Aaron
Korns, Natasha
Kirsanoff, AnnaMarie
Kost, Gregory

Lahde, Ann
Meissner, Pamela
Moyna, James
Oerter, Justin
Pantazon, Angela
Pitterle, Richard
Rattner, Sidney
Rueckl, Rychelle
Schluechtermann, Staci
Staerk, Thomas

2. Intent to Deny-

3. Deny –

APPLICATIONS REVIEWED

The following applications for public accounting were issued a credential based upon Staff Delegation. Applicants applied based on examination, transfer of credit from another state and endorsement of license from another state.

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

1. Approved –

Abramowski, Brett
Auger, Sean
Baldridge, Christa
Bloom, Zachary
Borkowicz, Mark
Cherney, Barbara
Christensen, Lisa
Coon, Joel
Deeg, Jennifer
Droege, Charles
Emmerich, Greg
Endres, Mary

Farrell, Jennifer
Fischer, Scott
Gissel, Jodi
Grueschow, April
Gunawan, Susi
Harder, Fay
Harrison, Mary
Hildebrandt, Robin
Hobl, Daniel
Hoffert, Patrick
Jurjevich, Jason
Kalies, Jason
Kaufman, Amy

Kretz, Casey
Mathias, Martin
Mattson, Angela
Miller, Erika
Miller-Larson, Jodi
Mitchell, Jennifer
Nagy, Anne
Naumann, Jason
Nemeth, Craig
Oconnell, Steven
Okray, Margaret
Patterson, Melanie
Reisinger, Jennifer

Rose, Gina
Schmit, Gerald
Setzke, Richard
Shuda, Craig
Simon, Andrea
Skrobis, Shelly
Sloane, John
Stephens, Jason
Sturm, Kelly
Van Andel, Eric
Wachs, Kristin
Zillmer, Stephanie

EXAMINATION ISSUES

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to allow Christopher Brisch to sit for the FARE section of the CPA exam in May 2002. Motion carried unanimously.

ADJOURNMENT

MOTION: Jim Johnson moved, seconded by Thomas Kilkenny, to adjourn the meeting at 10:55 a.m. Motion carried unanimously.

Next Meeting: Friday, March 22, 2002

